



Report to the Auburn City Council

Action Item	5
Agenda Item No.	
City Manager Approval	

To: Mayor and City Council Members
From: Jack Warren, Director of Public Works
Bernie Schroeder, Engineering Division Manager
Date: August 10, 2009
Subject: Airport Water Connection Fee – 2nd Reading

The Issue

Shall the City impose an Airport Water Connection Fee upon new development (hangers) to recover costs associated with the East Area Hangar Waterline Extension Project?

Conclusion and Recommendation

Staff recommends that Council: introduce for a second reading of “An Ordinance of the City Council of the City of Auburn, California, Adding Section 51.03, Regarding The Airport Water Connection Fee, to Chapter 51 of the Municipal Code.”

Background

On July 27, 2009, the City Council considered the first reading of the Airport Connection Fee Ordinance Amendment. This report serves to facilitate the required second reading of the ordinance for final adoption.

Analysis

In connection with the East Area Hangar Waterline Extension Project, the City anticipates incurring expenses totaling approximately \$364,400. These costs include waterline, fire riser lines, water meter and electrical costs.

The attached ordinance would impose a capacity charge, to be known as the “Airport Water Connection Fee” upon development at the airport that would be served by the Project. The \$4.49/permitted square foot fee (automatically adjusted in future years to account for inflation) would be paid to the City by each developer as a condition of building permit issuance.

The amount of the fee was calculated by the City’s consultant to evenly spread the costs of the project across development served by the project. The methodology takes into account that the project will serve not only the current phase of hanger expansion, but also future development. Therefore, it has been sized so that Phase 1 development will pay for only \$273,300 of total costs. The remainder of project costs are left to be collected from Phase 2 and future development.

This ordinance will go into effect 60 days after its adoption. It is anticipated that developers pulling permits prior to the effective date of the resolution will pay a like amount by agreement with the City.

Alternatives Available to Council; Implications of Alternatives

1. Proceed with Staff Recommendation
2. Do not proceed with staff recommendation

Fiscal Impact

This fee will, over time, reimburse the City for costs associated with the East Area Hangar Waterline Extension.

ORDINANCE NO. 09-

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF AUBURN,
CALIFORNIA ADDING SECTION 51.03, REGARDING THE AIRPORT WATER
CONNECTION FEE, TO CHAPTER 51 OF THE MUNICIPAL CODE

THE CITY COUNCIL OF THE CITY OF AUBURN DOES ORDAIN AS
FOLLOWS:

1. Section 51.03 is added to Chapter 51 of the Municipal Code amended to read as follows:

"Section 51.03. Airport Water Connection Fee

- (A) Any person making a connection to any of the water improvements (including appurtenant electrical improvements) that have been constructed at the expense of the city at the Auburn Municipal Airport, or expanding, modifying, enlarging or conducting any other activity that will increase the volume of water already consumed through a connection to said improvements, shall pay an "Airport Water Connection Fee" to the city.
- (B) The amount of the Airport Water Connection Fee shall be at the rate set by ordinance or resolution of the City Council \$4.49/square foot of permitted space connected to the water improvements.
- (C) The Airport Water Connection Fee is a 'capacity charge' for purposes of California Government Code Section 66013 except to the extent it is a 'connection charge' pursuant to that section.
- (D) The Airport Water Connection Fee is due and payable at the time a building permit is issued for a structure that will be connected to the water improvements, and no building permit shall be issued unless the required connection fee has been paid.
- (E) The purpose of the Airport Water Connection Fee is to recover the city's costs associated with the construction of water improvements

(including appurtenant electrical improvements) that are of benefit to the property being connected to the water improvements, as well as to fund costs associated with the installation of fire risers serving such property.

(F) Airport Water Connection Fees collected by the city pursuant to this Section shall be segregated from the other funds of the city, except for purposes of investment, and such connection fees shall be expended only for the purposes set forth in subdivision E of this Section. Any interest income earned from the investment of connection fee proceeds shall be also treated as connection fee proceeds for this purpose of this subdivision F.

(G) The Finance Director shall annually make the report required by California Government Code Section 66013(d) with respect to the airport water connection fee.

(H) The airport water connection fee is in addition to any charges imposed by the City (or water supplier) for water service or to recover actual costs of installing meters, water laterals and appearances (other than facilities common to all users) to serve a new structure.

(I) Any airport water connection fee rates established by the City Council shall automatically be adjusted each July 1 by the rate return of the Local Agency Investment Fund of the State of California since the last date on which the rate was established or adjusted. No action of the City Council is required to cause this annual adjustment."

2. The rate of the Airport Water Connection Fee charged pursuant to Section 51.03(A) of the Municipal Code shall be \$4.49/square foot of permitted space. This rate may be amended by ordinance or resolution of the City Council. Beginning July 1, 2010, this rate

1 shall be subject to automatic adjustment pursuant to Section
2 51.03(I) of the Municipal Code.

- 3 3. The City Council finds and determines that the Airport Water
4 Connection Fee established by this Ordinance does not exceed the
5 estimated reasonable cost of the expenses for which it has been
6 imposed. This Ordinance was adopted following a public hearing
7 conducted pursuant to Government Code Section 66016.
8 4. Resolution No. 09-92, which also imposes the Airport Water
9 Connection Fee is repealed as of the effective date of this
10 Ordinance.
11 5. This Ordinance shall become effective on the sixtieth day following
12 its adoption.

13 DATED: August 10, 2009

14
15 J.M. Holmes, Mayor

16 ATTEST:

17
18 Joseph G. R. Labrie, City Clerk

19
20 I, Joseph G. R. Labrie, City Clerk of the City of Auburn, hereby certify
21 that the foregoing ordinance was introduced at a regular session meeting of
22 the City Council of the City of Auburn held on the 27th day of July, 2009 and
23 duly passed at a regular session meeting of the City Council of the City of
Auburn held on the 10th day of August, 2009 by the following vote on roll call:

24 Ayes:
25 Noes:
26 Absent:

27 Joseph G. R. Labrie, City Clerk
28

